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FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC PRIORITY 9497
INFO RUEHVI/AMEMBASSY VIENNA PRIORITY 0153
RUEHDE/AMCONSUL DUBAI PRIORITY 7232
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0027
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY

C O N F I D E N T I A L ABU DHABI 001306

SIPDIS

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STATE FOR NEA/IR, NEA/ARP, EEB/ESC/TFS
TREASURY FOR U/S LEVEY
VIENNA FOR AMB MCCAW, S.KILNER, PKAPLAN
USMISSION VIENNA FOR AMB SCHULTE, E. TAVAKOLI

E.O. 12958: DECL: 08/06/2017

TAGS: [ENRG](#) [EPET](#) [ETTC](#) [PREL](#) [IR](#) [AU](#) [AE](#)

SUBJECT: OMV AND THE UAE

REF: AUGUST 3 TAVAKOLI-QUINN E-MAIL

Classified By: CDA Martin Quinn for reasons 1.4 (b), (d).

1. (C) On August 6, A/DCM met with Khalifa Al-Kindi, Managing Director of the Abu Dhabi Investment Council (ADIC) and Board Member of the Abu Dhabi Government owned International Petroleum Investment Company (IPIC) to discuss the Austrian firm OMV's (17.6 percent owned by IPIC) gas deal with Iran. A/DCM stressed that, with Iran's defiance of UN Security Council Resolutions, now was not the time for business as usual and that a major hydrocarbon deal would send the wrong message to the government of Iran.

12. (C) Al-Kindi stated that he had not been aware of OMV's deal with the Iranians. Normally, he said IPIC's board did not follow the activities of companies in the portfolio on a daily basis, but reviewed them at board meetings. He told A/DCM that he had tried to call other board members and IPIC's managing director about the issue, but all were out of the country and not answering their cell phones. Al-Kindi stated that IPIC's representative on OMV's board had been the previous managing director. He believes that IPIC's new managing director, Khadem Al-Qubaisi, would have assumed the same seat. Al-Kindi asked whether the USG had approached either OMV or the Government of Austria to express our concern about this deal. A/DCM explained that we would be approaching the company in the next day or so. (Note: OMV is also 31.5% owned by the Austrian Government's Investment and Privatization Agency OIAG. End Note.)

13. (C) A/DCM noted that he understood that neither the Abu Dhabi Investment Authority (ADIA) nor ADIC invested in Iran and that we hoped IPIC would use its status as a large shareholder in OMV to express concern about moving forward with this deal. Al-Kindi confirmed that neither investment group invested in Iran. He promised to get back to A/DCM with any further information, but stressed that it was likely that no decision could be made or more information generated before key officials returned to Abu Dhabi in late August.

14. (C) Comment: Unfortunately both the Chairman of the Board of IPIC, Minister of Presidential Affairs Sheikh Mansour bin Zayed Al-Nahyan, and IPIC Managing Director Khadem Al-Qubaisi are out of the country as are most of IPIC's board members. As a primarily financial investor, IPIC generally does not participate in day-to-day management of companies, but does play an active role on company boards. End Comment.
QUINN